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The President's Daily Brief

May 3, 1975

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PORTUGAL

Political tension has reached a serious level in Lisbon, where the Socialist and Communist parties have stepped up their verbal attacks on one another. The Armed Forces Movement may feel compelled to intervene.

After trading charges with the Communists throughout the day yesterday over the disruptions at the May Day celebration, the Socialists staged a mass protest demonstration last night. The crowd, which military police estimated at 50-60,000 and which included some supporters of the center-left Popular Democratic Party, marched through the streets of Lisbon chanting "Socialism yes, dictatorship no."

Troops of the Portuguese internal security force kept a close watch on the demonstrators throughout the evening. Socialist Party leader Soares and Justice Minister Zenha addressed the crowd, which began to disperse around midnight without serious incident.

Earlier in the day, Mario Soares was summoned to meet with Prime Minister Goncalves and President Costa Gomes, reportedly to discuss the incidents of the day before and the increasingly virulent exchanges between the Socialists and Communists. The "inner" cabinet--the Prime Minister, three military ministers, and the chiefs of the four coalition parties who serve as ministers without portfolio--also met in emergency session.

The leaders of the Armed Forces Movement place a premium on cooperation among the parties, but might be tempted to use the current discord to reduce the role of the parties in the government even further. The proposal to form a new party to collaborate with the Armed Forces Movement--first raised by Admiral Rosa Coutinho before the recent election--might also surface again.

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SOUTH VIETNAM

The communists in South Vietnam continue to give first priority to detaining officers of the defeated government and securing control over existing agencies and organizations.

According to an intercepted North Vietnamese message, the communist General Staff has directed that its units should arrest all officers of field-grade rank and higher, dissolve the defeated units, and send home the junior officers and enlisted men. Press reporting indicates that at least some captured officers are being held in "re-education camps" for indoctrination leading to communist-style rehabilitation and eventual release for employment in new jobs.

Former government administrators are subject to arrest as "country sellers," but the communists apparently want to keep government agencies intact, presumably in order to maintain essential services while they establish more pervasive control over the people. Great stress is being put on maintaining order and preventing plundering by occupying forces.

Although labor leader Tran Quoc Buu, who has escaped the country, is labeled a traitor, the unions that belonged to his confederation will apparently be used by the communists as mechanisms for gaining control over organized labor in Saigon. Existing unions are instructed to continue vocational activities, but they will be supervised by the communists' "General Federation of Free Trade Unions." Members of Buu's defunct confederation have been given 24 hours to report to communist authorities, who presumably will exploit their knowledge of the unions to bring them rapidly under firm control.

In its first major action toward a Southeast Asian neighbor since gaining control over all of Vietnam, Hanoi is leaning heavily on Thailand to return US-supplied military hardware taken to Thai bases by fleeing South Vietnamese. Claiming that

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this materiel belongs to the South Vietnamese people and therefore to the new communist administration, a Nhan Dan editorial warns: "The Vietnamese people can postpone considering other problems created by the Thai military dictatorial regime. However, they will never give up consideration of the present issue."

Nine South Korean embassy personnel and about 130 Korean civilians failed to make their escape from Saigon when the embassy closed there. Because of South Korea's role earlier in the war, it is feared that at least some of these people may be apprehended and dealt with harshly. Seoul is asking for help from third countries, including France, Sweden, and Japan.

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USSR

The Soviets continue to be relatively restrained in their treatment of the communist victory in South Vietnam and appear to be looking for a lead from Hanoi before taking a clear-cut position on some of the crucial issues.

In a congratulatory message to North Vietnamese leader Le Duan on May 1, party chief Brezhnev referred to the installation in Saigon of an "administration," making no mention of the Provisional Revolutionary Government in this context. This suggests that Moscow thinks that Hanoi would now just as soon deemphasize the governmental aspects of the PRG. A congratulatory message from the Soviet leadership to the PRG leaders, also delivered on May 1, wishes them success in implementing their "national aspirations," but pledges Soviet support for the "South Vietnamese patriots," rather than the PRG per se.

The Brezhnev message to Le Duan included a paragraph regarding the tasks and problems now facing Hanoi. This may be one way of suggesting that the North Vietnamese submerge whatever inclinations they might have to become more adventuresome elsewhere in the region. Cited among the "numerous difficulties" facing Hanoi were the "actions by external forces hostile to the Vietnamese people's national interests." In using the term "external forces," when he might have used "imperialist forces," Brezhnev clearly meant to put China on the list of those Hanoi should worry about.

Concern that the Chinese may stand to benefit from the US withdrawal may be one reason for Moscow's decision to refrain from direct criticism of Washington. Moscow may even be trying to float the idea that the US and the USSR have some shared interests in Indochina and Southeast Asia that could be explored further.

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USSR

The Soviet Ministry of Defense apparently is planning its strategic program on the basis of the 2,400-launcher ceiling agreed at Vladivostok. This would imply a Soviet assumption that a formal SALT agreement embodying this figure is likely.

The Ministry of Defense has been required to justify to the Soviet State Planning Committee, or some other higher authority, planned expenditures for armaments and capital construction which appear to be in dispute.

To defend his budget request for the 1976-1980 five-year plan, Defense Minister Grechko, [redacted]

[redacted] to draw together information on recent increases in Western arms budgets, specifically those of the US, West Germany, and the United Kingdom. He proposed to cite the Western figures to buttress his case that the Soviet military must receive adequate funding if it is to "surpass" Western efforts and to avoid falling behind technologically. In addition, Grechko asked that selected data on the cost of Soviet systems be presented. He may have wished to show that newer generation Soviet systems are far more costly than their predecessors.

Grechko particularly wanted 3 to 5 billion rubles to be included in the budget to offset possible "failures" vis-a-vis the US. The reference to "failures" is obscure, but Grechko mentioned such US systems as the Trident submarine and may be concerned about the Soviets' ability to match or counter them. He may be seeking to hedge against technical failures or, possibly, a failure at SALT to achieve the restraints they want on US programs.

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BAHRAIN

The government of Bahrain is hesitant about formalizing renewal of the US navy stationing accord because of stiff parliamentary opposition, and prospects for an early conclusion of the agreement now appear uncertain. The Bahrainis earlier had given repeated assurances that the arrangement would be concluded shortly.

The foreign minister expects within the next month a sense-of-the-assembly motion--likely to be adopted overwhelmingly by parliament--calling for an end to the US naval presence. He said that the resolution does not have the force of law and that the government is determined to adhere to the stationing agreement. He added, however, that after the assembly's summer recess, the opposition may try to pass legislation terminating the accord. Such a move would raise questions as to the assembly's authority over foreign policy, a matter on which the constitution is unclear.

Negotiations to renew the accord--originally signed in 1971 and terminated by Bahrain during the October 1973 war--were completed a month ago. According to the foreign minister, the cabinet is trying to decide whether to adhere formally to the stationing agreement before or after the anticipated assembly debate. The government fears that a parliamentary wrangle over the stationing accord could produce a public airing of the issue of a US naval presence that would embarrass the ruling family.

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SOUTH KOREA

President Pak is citing an increased threat of attack from the North as justification for cracking down harder on his domestic political opposition.

Over the past several weeks the Pak government has executed eight political prisoners held since early last year; sent troops to occupy one major university and closed down others; passed an "anti-slander" law curbing political dissent; arrested or otherwise intimidated a number of its more active political opponents; and expelled from the country an American missionary who had been critical of the regime.

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This kind of approach to domestic dissent reflects in part Pak's disappointment with the fruits of the conciliatory tactics he tried during the winter months--the staged national referendum on his stewardship and the release of some 150 prisoners. These gestures did take some of the steam out of the anti-Pak movement for a time, but opposition politicians soon began to speak out vigorously once again, and university students went ahead with their traditional spring demonstrations.

Pak's inclination to get tough was reinforced by developments in Indochina and by the recent trip of Kim Il-song to Peking. Pak claims that these events will inevitably result in a greater threat of attack from the North. He is, in general, dramatizing the danger to justify suppression of criticism. In a major address on April 29 aimed at instilling confidence in the South Korean people, however, Pak also emphasized that the northern threat should not be overestimated.

Pak is aware that he will have to pay a price for the domestic crackdown in terms of diminished support in the US, where his policies on human rights have been sharply criticized. Pak seems,

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nevertheless, to have consciously reached the decision that stricter discipline--demanded by national security--has a greater priority than the need to satisfy the US public and Congress. He appears to have concluded that he will never be able to fully satisfy his critics in the US and that to attempt it would undermine his positions.

* * *

Pak is also thinking hard about his longer term military situation. He has stated his firm determination to develop a Korean missile production capability within the next three to five years. While recognizing the financial burden such a program would place on his country, Pak made it clear--to our ambassador earlier this week--that he was looking ahead to the day when US forces would be withdrawn from South Korea.

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Seoul is also looking to the US for assistance to achieve self-sufficiency in missile-related technology, but Pak pointed out to the ambassador that he would seek help from third countries if US aid could not be obtained. Seoul reportedly is ready to conclude an agreement with a French firm for a propellant plant if a similar US facility cannot be obtained.

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NOTES

PLO chief Arafat, who was originally slated to leave for Czechoslovakia yesterday, will now stay in the USSR until Sunday.

His extensive discussions with Soviet Foreign Minister Gromyko have apparently left substantial areas of disagreement between Moscow and the Palestinians. [REDACTED]

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One line of speculation is that recognition of Israel's existence is at the heart of the discussions. If true, this may mean that the Soviets are trying to get some commitment from Arafat that might reduce Israeli resistance to Palestinian representation at Geneva.

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The Shah of Iran will begin a visit to Venezuela and Mexico on Monday before arriving in the US on May 15.

The Shah is seeking through personal diplomacy and bilateral arrangements to broaden Iran's political and economic ties to Latin America. He has singled out Venezuela and Mexico because they are oil producers. He and Venezuelan President Perez are both interested in closer cooperation within OPEC to keep prices up and to balance the Arabs in the organization. The Shah's main interest in visiting Mexico is probably to learn Mexico's plans for developing and marketing its oil. He probably will also try to persuade the Mexicans to join OPEC; Mexico has rebuffed similar attempts by Venezuela and other OPEC countries. Iran is not neglecting other Latin countries. The establishment of diplomatic relations with Cuba, Jamaica, and Panama in February and with Colombia in April brings to 14 the number of Latin American governments having political ties with Iran.

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